



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 17, 2005

### **S. 1894**

### **Fair Access Foster Care Act of 2005**

*As cleared by the Congress on November 9, 2005*

S. 1894 would permit for-profit private agencies as well as nonprofit child-placement and child-care agencies to receive federal foster care maintenance payments. Currently, those payments may only be received by state agencies or by nonprofit private agencies that contract with state agencies.

This legislation would increase the types of organizations that can receive federal funding, but would not change the underlying eligibility for foster care. Therefore, CBO estimates that any costs resulting from this act would be insignificant.

Most states that contract with private service-providers for placing children in foster care do so with nonprofit agencies. Most private service-providers are organized as nonprofit organizations in order to receive the federal reimbursement. However, in isolated cases, a state may prefer to contract with a for-profit provider. Information provided by the Department of Health and Human Services indicates that these instances are infrequent.

This estimate was prepared by Christina Hawley Sadoti. The estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.